mmmm Davis-Bacon



Complying with Davis-Bacon Requirements

David Dunn – Ecology
Cathy Brockmann– Commerce

Bacon!



Not Kevin Bacon



Or a bacon statue of Kevin Bacon



Davis-Bacon

- Davis-Bacon Act of 1931 passed in response to the great depression.
 - Senator James Davis
 - Representative Robert Bacon



Davis-Bacon applies to:

- Contracts with the federal government.
- · Certain federally assisted contracts.
- For construction, alteration, or repair projects.
- For public buildings or public works projects.
- For contracts for \$2,000 or more.

Davis-Bacon only applies to construction contracts for more than \$2,000

- Not consulting engineers.
- · Not municipal staff.
- Not construction management.
- · Not materials testing.
- Not supplies or equipment purchase.

Davis-Bacon requirements apply to:

- Clean Water and Drinking Water SRF funded projects since 2010.
- CDBG grants (All HUD programs).
- Separate state prevailing wage laws apply to all public works projects Statewide.

Bid phase requirements for recipients

- Include required language in bid package, advertisement and the contract.
- Include the most recent Wage Determination (or Decision) for your area in the bid package and the contract.
- Check for changes to wage determination 10 days prior to <u>bid opening</u>.

What is a Wage Determination?

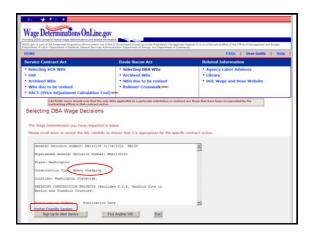
- List of the prevailing wages for similar construction in your area of the state.
- · Divided into 4 "schedules".
 - Heavy, Highway, Residential, and Building
- Each schedule contains wage rates for specific job classifications.
- Can be found at www.wdol.gov

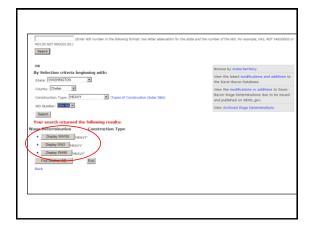


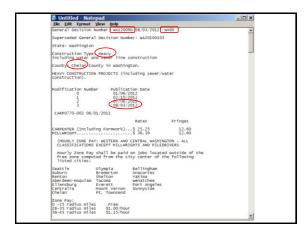
Which Wage Determination Schedule is the "Right one"?

- Residential Single Family Houses and apartment complexes.
- Building Other enclosed structures.
- Highway Almost anything paved.
- Heavy Everything Else (including Water and Wastewater projects)
- · Some projects require multiple schedules
 - 20% rule for incidental components

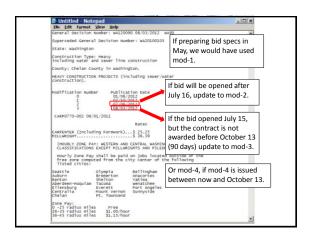








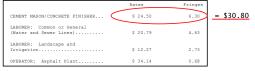
What if DOL issues a new wage determination? The wage determination must be updated if: The wage determination changes more than 10 days before bid opening. Or The contract is not awarded within 90 days of bids closing. Check wdol.gov 10 days before bid opening. BEST PRACTICE: Country: Chelan Country in Machington. MEXANY CONSTRUCTION PROJECTS (including sever/water construction). Find Another WD



What if a classification is not on my determination?

- Generally try to use the existing classifications.
 - Can an existing classification perform the work?
- Additional wage rate classifications can be requested from DOL.
 - Use Form SF-1444
 - Give the request to your funding agency
- Try to get agreement on the wage determination before hand.
 - Contractor
 - Laborer
 - Funding recipient
- "Reasonable" compared to other wage rates already in the determination.
- Identify additional classifications early
- Coordinate with the contractor at the pre-con meeting.

Wages and Fringe benefits The prevailing wage is the base rate + fringe shown.



Contractor can pay any combination of base rate and bona fide

\$24.50 Base Rate + \$6.30 Fringe \$15.00 Base Rate + \$15.80 Fringe \$8.67 Base Rate + \$22.13 Fringe

\$30.80 Base Rate + \$0.00 Fringe

What are fringe benefits?

- · Health Insurance
- · Paid vacation or sick leave
- Paid holidays
- · Pension plans
- · 401k contributions

What about overtime pay?

- Federal overtime standards are based on 40 hours per week
- Workers are paid 1.5 times their base rate for every hour of overtime.
- Fringe benefits do not increase for overtime
- Zone pay is an increase in the base rate, so zone pay is increased for overtime pay.
- State Prevailing overtime may be different.

What is "Zone Pay"?



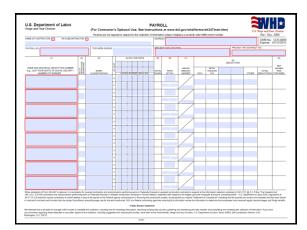
- Zone pay applies if the job is located outside of listed cities.
- · Zone pay is added to the base rate.
- This can affect overtime calculations

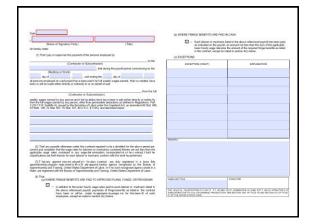
What about State Prevailing Wages?

- You must also check the state prevailing wage rates.
- The contractor must pay the higher of the two rates.
- Intent to pay and the Affidavit are submitted by the contractor to L&I

Contractor requirements

- · Pay workers at least the prevailing wage.
- · Pay weekly.
- Post wages on job site.
- · Post information posters are job site.
- Provide certified payrolls to project owner. (WHD-347)
- Document Fringe Benefits.
- Ensure subcontractor compliance with the requirements.





Construction phase requirements for recipients

- Collect Payrolls and certification statements (WHD-347).
 - $\,-\,$ Keep these in your files for 3 years.
- · Review the payroll forms.
 - (are wages correct? In fringe calculation correct? Is the classification right)
 - At least twice for every contractor and sub contractor.
 - First check within two weeks of first payroll.
- If you have any questions, ASK.
- Conduct wage interviews (use form SF-1445 or HUD-11).
 - EPA and HUD have different requirements.
- Certify that Davis-Bacon requirements are being met.
- Certify to ECY and Commerce as part of progress report.
- Check apprentice to journeyman ratio and certifications.
 - (Only if apprentices or trainees are working on the job.)

State Involvement

- Provides standard Specification language for your contracts.
- Always available to answer questions.
- Ecology site inspections include a bookkeeping checklist. We will review your paperwork onsite.
- Commerce reviews your 21-day labor packet.
- Coordinate request for additional classifications.

Any Final Questions?

Additional information

- david.dunn@ecy.wa.gov 360/407-6503
 cathy.brockmann@commerce.wa.gov 360/725-3087 Commerce:

- CDBG site: http://www.commerce.wa.gov/Programs/Infrastructure/CDBG-Program-Overview/Pages/default.aspx
- Drinking Water SRF:

http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/ WaterSystemAssistance/DrinkingWaterStateRevolvingFundDWSRF.aspx

Ecology

- Clean Water Funding:
- tream water running.
 http://www.ecy.wa.gov/programs/wq/funding/funding.html
 Grant and Loan listserv: http://www.ecy.wa.gov/maillist.html

Thank You